

Streamlining

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Last month, I gave the first of these Agency-wide talks. I spoke in broad terms about the transformation at NASA. This month, I want to get more specific.

One of the reasons I'm giving these talks is to get tough issues out in the open. I want to tackle some of the issues you may be wondering about. That way, fears can be aired. Questions can be answered. We can all pull together.

Today, I'm going to tackle one of our toughest issues. Streamlining.

I'm going to use four questions to talk about this. The first question is, "What is streamlining?" The second is, "Why are we doing it?" Third, "How are we going to do it?" And fourth, "What does all this mean to you?"

Let me start at the beginning. "What is streamlining?"

There are a lot of special terms used to define streamlining. But it's really just three things. It's downsizing. It's reorganizing. And it's finding new ways to do things.

NASA will do all of these things.

Now for the second question. "Why are we doing it?"

We're doing it because Americans want a smaller, cheaper government. A government that does the right things, with the right number of people, at the right cost. Americans want government to be relevant.

Congress and the President have responded to that. They got the message, and they're making changes. Big ones. Very big changes. These changes affect NASA, but we're not alone. They affect every Agency and department in government.

Let me start with some of the things Congress and the President have already done. The President proposed, and Congress passed, a law that calls for a cut in federal employees by the end of FY '99. Under President Clinton's reinvention, the government will shrink by 272,900 people. We'll have the smallest government we've had in years.

Cutting out 272,900 people is a 12% cut of all federal employees. But each Agency's share varies. NASA's share is a 16.5% cut by the end of FY '99. That's over 4,000 people. The buyouts helped us a lot. They put us ahead of schedule. In fact, we're about a year ahead. We're where we should be by the end of FY '95. But we're not nearly done yet. We have about 2,500 more people to go. When we achieve that, we'll be the smallest we've been since the early Apollo years.

It's not just civil service getting cut back. Our contractors are in the same boat. For example, over the last year, Headquarters reduced its support contracts by roughly 25 percent: more than 300 jobs. The Centers have made even deeper cuts.

The National Performance Review is another reason we're streamlining. It has specific recommendations for cutting government. For example, it tells Agencies to cut their headquarters in half by the end of FY '99. It also says Agencies should cut supervisors by 50%. The same goes for administrative staff. And it says too many people are managing too few. Agencies have been challenged to reach a supervisor-to-employee ratio of one-to-15. Our goal has been set at one-to-eleven.

When all this first came out, NASA had a ratio of one-to-five. So we've got a ways to go. We'll be cutting back on supervisors.

These are just some examples of what the President and Congress have already done. We're dealing with the targets they've given us. But more cuts in government are coming.

Both the President and Congress want an even smaller government. In December, the President announced he wants to find an additional \$76 billion in savings over the next five years. That's part of his tax-cutting plan.

We don't know yet if this will affect NASA. We may know more after the President's State of the Union speech later this month. We'll

certainly know more when his budget plan comes out in early February.

Congress also wants to cut government further. Both Republican and Democratic leaders are talking about it very seriously.

But right now, we're working to meet the targets we've already been given. Of course, in order to have new programs, we'd have to downsize some areas even more than the Administration targets.

Let me go on to the third question. "How are we going to do it?" How are we going to cut NASA by 16.5% and meet the other fundamental requirements of the Agency?

First, it's not clear that we can rely solely on attrition. In the '70s and '80s, NASA faced similar challenges. Downsizing really took its toll.

Private companies doing a good job of downsizing aren't just relying on attrition. I've challenged our Center directors and Headquarters leadership to be innovative. We need management tools that will deliver a smaller but dynamic, relevant NASA. And do it fairly and humanely.

We're looking at ways to cut out some of the things we do and improve others. Let me tell you exactly what we're doing.

Like every other Agency, NASA submitted a streamlining plan to OMB in October. We used our Strategic Plan as the basis.

We told OMB we'd take a close look at NASA. We said we'd report back on what kinds of changes make sense for the Agency.

That's the stage we're in now. We're taking a close look at the Agency. There are many reviews going on right now. But there are three basic to streamlining.

One is the Civil Service and Support Contractor Zero Base Review. It's headed up by Dick Wisniewski, Deputy A.A. for Space Flight. The scope of this review is tremendous. We're looking at everything the Agency does.

This is the exciting part of streamlining. We can totally reinvent ourselves. We can do whatever works. Everything is on the table.

Nothing is sacred. We can change the way people are grouped. We can change the way they're managed. We can focus on what we do best and cut back the rest.

Our goal is to cut spending on things that aren't a priority. We'll shift that money into what's most important. In other words, we'll be more relevant. We'll be doing the things America wants us to do.

We're getting back to basics. We're asking fundamental questions: "What are we doing and why are we doing it? How can we do it better? Which jobs are necessary? How many people do we need to get the job done?"

Both the Centers and Headquarters are doing self-assessments in which they ask themselves these questions.

We're not doing this review in a vacuum. Hundreds of people are involved. Cross-cutting teams are also at work. These are teams of experts from each Center. They look at one area across the entire Agency. Like science or engineering or information systems. How could this one area be done better by the Agency? Maybe it should be handled out of one Center. Or organized completely differently. These are the kinds of things the teams are considering.

The end result of all this will be targets and guidelines for the Centers and Headquarters. The kinds of cuts that should be made and where. The areas that should be re-engineered. Ways we can improve our efficiency and effectiveness. We plan to make final decisions by the end of May.

The other two reviews focus on the Shuttle. The purpose of these reviews is to see how we can maintain or improve shuttle safety while reducing operating costs.

The main Shuttle review is headed by Bryan O'Connor, Deputy A.A. for Shuttle. In this effort, each Center looks at how it can do its part better. This review should be done by the end of January.

The second Shuttle review is led by Christopher Kraft, former director of NASA Johnson. This group will recommend a road map for how NASA should manage the Shuttle and space flight operations. Their recommendations should be final some time in February.

Now the fourth and final question. It's probably the most important. "What does all this mean to you?"

I'm going to be up front with you. We don't know all of what this means. We can't. The reviews I talked about aren't finished yet. And we don't have the last word on what the President and Congress want to do at NASA. There's a lot that's still up in the air.

But here's what we do know.

NASA will be smaller, and NASA will be different. We will have fewer people doing more complex work. This will require training for some. We won't do some of the things we do now. You've already seen that happen because of budget pressures. Some of the things that were in the '93 budget aren't in the '95 budget. We can't afford them. But the things we do will be outstanding. We'll maintain our superb quality.

We also know that Headquarters will be significantly smaller. Headquarters will stop doing some things altogether. Some things will be moved to the Centers. Headquarters will be leaner, and the Centers will be much more empowered.

Another thing we know for sure is that we'll maintain cultural diversity. Diversity isn't just a buzzword. It's not just a fad. It's important to the people of this Agency. It's important to the people of this country. This is America's space and aeronautics program. We're designed to serve our country and uplift its people. All of its people.

I've been getting some feedback about this. As we talk about bringing in more minorities and women, some of you have felt threatened. Some have felt shunted aside.

That isn't what's happening. We are becoming more inclusive, not less. Women and minorities have not had the opportunities others have had. We're changing that. We're opening the doors of NASA at all levels to the best person for the job. That doesn't mean that suddenly, we value one group and not another. That's not what diversity is. Diversity is including everybody. Each person gets to go as far as their talents can take them.

Another thing we know for sure is that employees will be respected. Human dignity is not expendable. People matter. You

matter. Whether you've been here one year or thirty, many of you have left your mark on NASA. You've done more than that. You've left your mark on this country. We're going to reach our targets with as little disruption as possible. Management and unions will be working together to help us do this. But we will reach our targets.

Another thing we know about the new NASA is that it will be relevant. We will do what matters most to Americans. They'll value our programs. We will be good for America, and America will know it.

Don't look at what's happening as a negative reflection on NASA. America has come into a different time. There are new pressures today. New ways of looking at things. Our country is changing. Our government is changing. An era is behind us, and a new one is beginning. There's no turning back. That's what America has said it wants. That's what we must deliver.

NASA is one of the most exciting places to work in the world. We serve our country as few others will ever do. We do incredible science. We drive cutting-edge technology. We strengthen America's economy. We create high quality jobs. We inspire the world, and we ennoble humanity.

That will not change. That's one guarantee I can make you. NASA will continue to make this country strong and its people proud.

Thank you.